

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON EDUCATION

Call to Order: By **CHAIRMAN DONALD L. HEDGES**, on February 12, 2003 at 8:00 A.M., in Room 102 Capitol.

ROLL CALL

Members Present:

Rep. Donald L. Hedges, Chairman (R)
Sen. Royal Johnson, Vice Chairman (R)
Sen. John Esp (R)
Rep. Eve Franklin (D)
Rep. Dave Lewis (R)
Sen. Bea McCarthy (D)

Members Excused: None.

Members Absent: Rep. Rosalie (Rosie) Buzzas (D) arrived at 9:27

Staff Present: Amy Carlson, OBPP
Jim Standaert, Legislative Branch
Diana Williams, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed. Tape counter notations refer to the material immediately preceding.

Committee Business Summary:

Hearing & Date Posted: HB 103, 2/6/2003; HB 495, 2/6/2003

Executive Action: None

HEARING ON HB 103

Sponsor: REP. HAL JACOBSON, HD 54, Helena

Opening Statement by Sponsor:

REP. JACOBSON stated that this bill not only addresses and deals with the current public school transportation funding formula, but also leads to property tax relief and a change in the way public school transportation is funded.

The current formula is cumbersome and problematic for school districts because it is based on ridership. Ridership is currently measured in November by way of counting the number of high school students who ride. The problem with this is that school districts set their budgets in the summer so it's hard to gain a completely clear picture as to what the ridership will be, based on those November counts. By going to a bus-sizing system it greatly helps the school districts in determining what their transportation budget will be.

The second part of the bill requests that the State increase its share by \$3.4 million funding over the biennium, which would be the first increase in state funding since 1991. State law requires that counties match the state funding.

{Tape: 1; Side: A; Approx. Time Counter: 0.4 - 6.9}

Proponents' Testimony:

Kathy Fabiono, Assistant Superintendent, Department of Operations, OPI, stated that HB 103 was introduced at the request of the Office of Public Instruction (OPI). It is intended to increase the state and county payment to schools for pupil transportation to and from school, and it also is intended to simplify the method that is used to determine the amount of those payments.

Districts account for the cost of pupil transportation in a fund that's separate from their general fund. The transportation fund has three primary sources of financing: 1) a payment from the state's general fund (22.5%), 2) a countywide property tax levy (22.5%), and 3) a district property tax levy (55%).

In 1991, the state and county funding rate for pupil transportation went from \$.80 per mile to the current \$.85 per mile for each pupil. Exhibit 1 shows the district expenditures for transportation have increased by more than \$7 million since 1994. Virtually all of that increase has been financed through increases in local property tax levies.

In addition to the request for an increase in the State share of district transportation costs, HB 103 also changes the way in which a district, state and county reimbursement is determined. The current reimbursement rates range from \$.85 to \$1.81 per mile. Each district counts riders, the type of riders, mileage, bus capacity and the type of route.

HB 103 proposes to have five rates ranging from \$.95 for the smallest bus up to \$1.80 per mile for the largest bus, which bases the reimbursement solely on the size of the bus needed for a particular route. Once that route is established, the size of the bus needed is known. This happens before the district's budget is set so districts know the amount of reimbursement they can expect to receive. HB 103 will result in a net property tax reduction statewide of \$1.7 million.

EXHIBIT(jeh31a01)

{Tape: 1; Side: A; Approx. Time Counter: 7 - 13.3}

Bob Vogel, Montana School Boards Association and School Administrators of Montana, spoke in support of HB 103.

Bob Gilbert, Montana School Bus Contractors, urged support for HB 103.

Opponents' Testimony: None

Informational Testimony: None

{Tape: 1; Side: A; Approx. Time Counter: 13.5 - 16.2}

Questions from Committee Members and Responses:

SEN. JOHNSON asked Ms. Fabiono if passing HB 103 sends an unfunded mandate to the counties to match state funds. **Ms. Fabiono** stated that the law requires that the county match the state's payment for school transportation.

SEN. ESP referred to Page 3, line 22 in the bill, wherein it says, "non-bus mileage must be reimbursed at a rate of \$.50 per mile." He asked how the amount was determined and what the rationale was behind it. **Ms. Fabiono** stated that "non-bus" mileage is for a vehicle driven by a bus driver to and from an overnight location when the bus is located more than ten miles from the school. She also stated that the "overnight location" might be the bus driver's home or a bus barn where the bus is stored overnight, either of which may be more than ten miles from the school. The "non-bus" rate is currently \$.43 per mile.

{Tape: 1; Side: A; Approx. Time Counter: 16.8 - 20}

CHAIRMAN HEDGES stated that he saw two major issues with HB 103; one is the formula used to set the rate, and the other is an increase in rate. He asked **REP. JACOBSON** how sponsorship of HB 103 would be affected if this Subcommittee accepts the restructured formula but not the rate. **REP. JACOBSON** stated that he would prefer to see the Subcommittee increase the rates as proposed in the legislation. However, adopting the new formula would be advantageous due to the extreme difficulty faced by school districts when factoring in transportation costs in their budget when using the current formula system. Calculating the budget using bus size instead of ridership would be easier for school districts. Transportation costs have increased tremendously over the last thirteen years, but no rate increase has taken place over that same time period.

SEN. ESP asked Ms. Fabiono to break down the \$45 million request.

{Tape: 1; Side: A; Approx. Time Counter: 20.2 - 22.5}

Ms. Fabiono stated that school districts pay all of the costs related to transporting pupils to and from school; it does not include any extracurricular activities. These costs include bus drivers' salary, contracted bus driver salary, fuel, maintenance, and everything else related to running the buses. Districts can also allocate costs such as a portion of the clerk's salary and the superintendent's salary.

SEN. ESP asked if there should be a fiscal note attached to this bill if it causes an impact to local governments.

Amy Carlson, OBPP, stated that this Subcommittee could request a fiscal note but there isn't one at this point.

{Tape: 1; Side: A; Approx. Time Counter: 23.4 - 26}

REP. BUZZAS asked, "If this money comes out of local levies and is part of the millage that school districts can levy for transportation, why would a fiscal note be necessary?" **Ms.**

Carlson stated that there is a State impact here where the State pays the additional \$1.7 million per year which is included in the appropriation in the bill. Also, included in this bill is a county increase in transportation schedules and a district decrease in the district mills that would be levied for transportation. There is a switch between the county and the district paying the mills. The net to the local taxpayer would still be a savings of \$1.7 million that is being added from the state.

{Tape: 1; Side: A; Approx. Time Counter: 27.7 - 29}

SEN. ESP referred to the "three-mile limit" on line 23 of Page 1. He asked what the effect would be if the limits were set at six miles instead of three miles. **Ms. Fabiono** stated that it would reduce the State's cost. It would require looking at the number of routes and taking six miles out of the formula for every one of those routes.

{Tape: 1; Side: A; Approx. Time Counter: 29.3 - 30.2}

{Tape: 1; Side: B; Approx. Time Counter: 2.4 - 2.6}

Closing by Sponsor:

REP. JACOBSON thanked Ms. Carlson for her help clarifying the funding situation. He requested a fiscal note showing how the "tax reform" will work under the current language of this bill. He reiterated that this bill addresses both the way funding is determined for school transportation, and addresses a tax reform issue. He shared statistics about public school transportation in the State of Montana.

{Tape: 1; Side: B; Approx. Time Counter: 3 - 5}

HEARING ON HB 495

Sponsor: **REP. NORMA BIXBY, HD 5, Lame Deer**

Opening Statement by Sponsor:

REP. BIXBY stated that she has two Indian Reservations in her district, and is carrying House Bill 495 on behalf of all the children and all the young people in the State of Montana. HB 495 is another attempt to appropriate \$120,000 to the Office of Public Instruction (OPI) for American Indian studies.

The 1972 Montana Constitutional Convention delegates did not pass the language in Article 10, Section 1, Subsection 2 as "feel good" language. According to the findings of Senate Joint Resolution 11 (SJR 11), passed in the 1995 Session, it was determined that the State of Montana should recognize the distinct and unique cultural heritage of American Indians, and it should be committed to its educational goal of preserving their cultural integrity. All Delegates of the Constitutional Convention agreed that the intent was to educate Indians and non-Indians, both students and general public, especially teachers and administrators. Since SJR 11, the American Indian educational community has been working toward the implementation of the Constitutional language in the Montana educational system.

In 1999, the Legislature passed HB 528, and Governor Racicot appointed a task force comprised of members of the Board of Education to identify goals and make recommendations to educational agencies recommending how to implement HB 528. The Board made their report and recommendations herein marked as Exhibit 2. OPI then implemented Indian education in their accreditation program and content standards as part of the Board of Education's recommendation (Exhibit 3). HB 528 became MCA 20-1-501.

After passage of HB 528, a meeting was convened including all American Indian tribes in Montana to discuss what the tribes would want to share with the State of Montana in the implementation of MCA 20-1-501 (Exhibit 4). REP. BIXBY also presented a copy of the OPI Action Plan (Exhibit 5), an EPP Request Justification (Exhibit 6), Pages 61 and 62 (as well as a copy of the entire document) from a study carried out by the Montana Civil Rights Commission which identifies their Findings and Recommendations (Exhibits 7 and 8), a copy of Resolution 2002-09 of the Montana-Wyoming Indian Education Association (Exhibit 9), and a copy of a letter to Governor Martz (Exhibit 10).

EXHIBIT(jeh31a02)

EXHIBIT(jeh31a03)

EXHIBIT(jeh31a04)

EXHIBIT(jeh31a05)

EXHIBIT(jeh31a06)

EXHIBIT(jeh31a07)

EXHIBIT(jeh31a08)

EXHIBIT(jeh31a09)

EXHIBIT(jeh31a10)

{Tape: 1; Side: B; Approx. Time Counter: 5.4 - 14.8}

Proponents' Testimony:

Linda McCulloch, State Superintendent of Public Instruction, spoke in support of HB 495 and provided written testimony. She firmly believes that all Montana children deserve a quality education. HB 495 moves forward an unfulfilled promise that Montana's teachers and students would learn about the culture heritage of American Indians in Montana.

EXHIBIT(jeh31a11)

{Tape: 1; Side: B; Approx. Time Counter: 15 - 18.2}

REP. CAROL JUNEAU, HD 85, Browning, stood in support of HB 495, and complimented REP. BIXBY for her persistence and commitment to Indian education in the State of Montana. **REP. JUNEAU** stated that the 1972 Constitution identifies the importance of acknowledging the history of the American Indian in Montana, however, the program has yet to be implemented. She wondered how much longer it would take, and requested funding support for HB 495.

{Tape: 1; Side: B; Approx. Time Counter: 18.4 - 23.9}

Steve Meloy, Board of Public Education (BPE), offered support for HB 495, and stated that it is an excellent way to utilize OPI in getting the school districts to adopt Native American studies curriculum into daily lesson plans.

{Tape: 1; Side: B; Approx. Time Counter: 24.3 - 26.6}

REP. VERONICA SMALL-EASTMAN, Lodge Grass, stated that there is not enough Native American curriculum being taught off the Reservation. The school in Hardin is an example. The town of Hardin is 61% Native American, yet Native American studies are not taught there. This is the case throughout Montana. The Legislature needs to provide funding for Native American curriculum in Montana's schools.

{Tape: 1; Side: B; Approx. Time Counter: 26.9 - 30.2}

{Tape: 2; Side: A; Approx. Time Counter: 0.4 - 3}

Bob Vogel, Montana School Boards Association and School Administrators of Montana, expressed strong support for HB 495, and stated the importance of all schools and all students having an opportunity to understand the Native American culture and heritage. **Mr. Vogel** stated that HB 495 carries a very modest amount of funding that will create model curriculum guides and materials that will be available to all Montana schools.

Erik Burke, MEA/MFT, expressed support for HB 495. He stated that MEA/MFT believes in the importance of Native American curriculum in Montana's schools, and has attempted to provide training through workshops and conferences. He stated there is currently very little material available for this training. The funding requested in HB 495 would go a long way toward helping create the needed materials.

Betty Whiting, Montana Association of Churches, expressed thanks to the American Indians for their willingness to share their rich culture. She stated that the money requested in HB 495 is a small amount compared to the amount of richness it could provide to the State of Montana.

Linda Gryczan, Montana Women's Lobby, urged support for HB 495, and stated that this is a very small amount of money for curriculum guides to help implement teaching Native American studies in public schools. There are many teachers waiting for this guidance.

Ellen Swaney, on behalf of herself, stated that she serves as the Director of American Indian Minority Achievement for the Office of the Commissioner of Higher Education. She urged this Subcommittee to fund HB 495.

Opponents' Testimony: None

Informational Testimony: None

{Tape: 2; Side: A; Approx. Time Counter: 3 - 15.2}

Questions from Committee Members and Responses:

SEN. ESP asked Supt. McCulloch if OPI considered the Native American program as one of the priorities in the budget.

Supt. McCulloch stated that it was one of the highest proposals brought before the Governor.

SEN. ESP asked REP. SMALL-EASTMAN if she has spoken with the Hardin School Board about the lack of Native American studies.

REP. SMALL-EASTMAN stated that in 1993 or 1994, the Native American students at the Hardin School protested over the lack of Native American curriculum at their school. The school board doesn't listen, and until recently, there were no Native Americans on the school board.

SEN. JOHNSON asked Supt. McCulloch if OPI has funding for HB 495 in its current budget. **Supt. McCulloch** stated that OPI currently does not have the funding in the budget, which is why it was brought before the Legislature last session and again this session. **Supt. McCulloch** stated that current budget cuts have not allowed allocating money for the Native American program. OPI continues to search for other funding sources such as grants to fund this program but has been unsuccessful thus far. **SEN. JOHNSON** asked Supt. McCulloch if Montana history classes are mandatory in grades K-12. **Supt. McCulloch** stated that Montana history is part of the accreditation standards, but there is not a mandated curriculum on Montana history.

{Tape: 2; Side: A; Approx. Time Counter: 15.6 - 28.8}

SEN. JOHNSON asked Mr. Meloy if the Board of Public Education has ever requested or instructed OPI to put Native American studies at the top of their list instead of the bottom. **Mr. Meloy** responded that he didn't think they have specifically asked OPI to prioritize.

SEN. JOHNSON suggested using the remaining balance in the Indian Economic Development Act fund to support HB 495. **REP. JUNEAU** stated that it was her understanding that the money had to be obligated by the end of June 2003. She stated the money was designated for economic development on the Reservations and that's where it needs to go.

{Tape: 2; Side: A; Approx. Time Counter: 28.9 - 30.3}

{Tape: 2; Side: B; Approx. Time Counter: 2.4 - 9.3}

REP. BUZZAS asked Supt. McCulloch if this has been a new proposal in the OPI budget for the last two sessions. **Supt. McCulloch** stated that it is the only new proposal brought before this Subcommittee, and therefore it is an extremely important one.

REP. BUZZAS asked Ms. Swaney about other sources that might be available to fund Indian education issues. **Ms. Swaney** said that most of the grants require matching funds such as at the State level, in order to get additional dollars. If this Subcommittee funds the minimal amount requested in HB 495, the Commissioner's Office could approach foundations, U.S. Department of Education, Department of Energy, and various other organizations for matching funds.

{Tape: 2; Side: B; Approx. Time Counter: 9.4 - 12.3}

REP. BUZZAS asked if Native American Day is a statewide mandate.

REP. BIXBY stated that the American Indian Heritage Day is the fourth Friday in September but not all districts observe it.

REP. FRANKLIN asked if Mr. Burke could respond to a question.

Mr. Burke responded to the question that **SEN. JOHNSON** previously asked Mr. Meloy. He said that the Native American studies was approved in the previous session (2001) by the Joint Board of Education, as a prioritized item to be included in the Governor's budget recommendation. Superintendent McCulloch had included it as a priority in this session (2003).

{Tape: 2; Side: B; Approx. Time Counter: 12.5 - 16.1}

CHAIRMAN HEDGES asked if Montana history is a required subject in Montana's public school systems. **Supt. McCulloch** stated that Montana history curriculum is required in all public schools.

CHAIRMAN HEDGES asked if Montana schools are being audited to ensure schools are complying. **Superintendent McCulloch** stated that schools are required to send that information to OPI. She also stated that American Indian studies are part of the curriculum standards that are set at the State level.

{Tape: 2; Side: B; Approx. Time Counter: 18.1 - 21.4}

CHAIRMAN HEDGES asked Mr. Meloy to take the message back to the Board of Public Education from this Subcommittee, "Just do it, in terms of American Indian studies in Montana's Social Studies program and Montana's History program."

{Tape: 2; Side: B; Approx. Time Counter: 21.5 - 22.1}

SEN. MCCARTHY told the Chairman that, before he gives Mr. Meloy too big of a directive, she needed to comment that there currently is no curriculum guide, course work, (inaudible) that covers the material this Subcommittee is talking about. Montana history is well documented with the exception of Native American history. HB 495 specifically requests the teacher's manual and guide assembled to address Native American studies.

{Tape: 2; Side: B; Approx. Time Counter: 22.2- 23.3}

Mr. Meloy stated that the Board of Public Education has asked OPI to ask all school districts to file a five-year strategic plan. One of the requirements of the plan is to adopt curriculum in line with State standards for Native American studies. By 2003, local school districts will have to incorporate into their

curriculum Native American studies or they will be in violation of the State accreditation standards.

{Tape: 2; Side: B; Approx. Time Counter: 23.3 - 24.2}

CHAIRMAN HEDGES asked if the school boards invited the leaders of the various tribal governments to a symposium to help develop a documented curriculum guide in terms of historical fact, artifacts, etc.

{Tape: 2; Side: B; Approx. Time Counter: 24.3 - 24.9}

Lori Falcon, Indian Education Specialist, OPI, stated that the educational leaders from the seven Reservations have gathered and prepared the Essential Understandings document, which was presented to this Subcommittee as Exhibit 4, and is available to all schools. The current accreditation standards for social studies contain specific American Indian content areas but OPI does not have the funding for the curriculum materials.

SEN. ESP stated he will continue to advocate for funding of programs like this.

{Tape: 2; Side: B; Approx. Time Counter: 25.5 - 28.2}

REP. BUZZAS stated that Indian curriculum would positively affect the Indian dropout rate and the number of Indians in prison. If a strong positive American Indian curriculum had always been included in social studies, possibly there wouldn't be such prejudice. Developing and including American Indian studies throughout the curriculum needs to become a priority to all Montanans.

Closing by Sponsor:

REP. BIXBY stated that the documents presented to this Subcommittee verify the commitment to getting Native American studies into Montana public school curriculum. The \$120,000 request would allow these studies to be implemented. This is a priority for everyone.

{Tape: 2; Side: B; Approx. Time Counter: 30 - 30.4}

{Tape: 3; Side: A; Approx. Time Counter: 0.4 - 7}

ADJOURNMENT

Adjournment: 10:00 A.M.

REP. DONALD L. HEDGES, Chairman

DIANA WILLIAMS, Secretary

DH/DW

EXHIBIT (jeh31aad)